

I. CHESTER COUNTY COMMUNITY FOUNDATION
GRANT PROPOSAL SUMMARY SHEET

Date 1/25/23

Contact Information

Organization Name: Open Hearth, Inc.
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Phone: 610-792-9282, x202
Website: www.openhearthinc.org
Year Incorporated: 1991
FEIN: 23-2652023

ED/CEO Name: Kelly Raggazino
ED/CEO E-mail: kraggazino@openhearthinc.org
Board Chair Name: Edwin Santiago
Board Chair Approval (check here):
Primary Contact Name: Kelly Raggazino
Primary Contact E-mail: see above

Organization Information:

Field/s of Interest: Human Services

Mission: Open Hearth, Inc., a leader in resource coordination and community building efforts, provides innovative programs to support and empower people to end the cycle of homelessness, acquire affordable housing, a means of transportation, workforce opportunities, and achieve financial stability.

Geographic Area Served (If not all of Chester County, specify primary Chester County regions served):

All of Chester County and portions of western Montgomery County along the Chester County border

Describe Population Served & Annual Number of People Served: Open Hearth serves members of our community who are the most vulnerable including those who are experiencing homelessness or facing eviction, those who are looking to improve their financial stability, as well as those with a serious and persistent mental health diagnosis or other disability. ***Our clients come from diverse racial and ethnic backgrounds and over 98 percent earn less than 80 percent of the median family income. Our programs served 1,466 unduplicated households in our 2021/22 fiscal year.***

Annual Budget \$ 2,895,340	18.5	# of Full-Time Equivalent Paid Staff
94% of budget for program expenses	10	# of Board Volunteers
5% of budget for administrative expenses	19	# of Active Non-Board Volunteers
1% of budget for fundraising expenses	548	# of Volunteer Hours
<i>100 % total</i>		

Top 3-5 funding sources:

1) Chester County Dept. of Community Dev., 2) Community Care Behavioral Health Organization, 3) Pennsylvania Housing Finance Agency, 4) The Community Coalition, 5) The United Way of Chester County

Is this grant proposal for: Capacity Building ___ or General Operating ___X___

Grant Amount Requested from the Community Foundation: \$10,000

Proposal Summary: Open Hearth is requesting general operating funds that will be utilized to expand the capacity of the Family Savings Partner Program (FSP). FSP supports low- and middle-income individuals and families as they plan for their financial futures. FSP provides a match of a participant's savings to be used toward the purchase of a car, post-secondary education, or a first home. If funded by CCCF, Open Hearth will utilize grant funding for matching funds for those saving to purchase a car. ***There is currently unprecedented demand for the car savings goal with 21 applicants on the waiting list.***

II. CHESTER COUNTY COMMUNITY FOUNDATION GRANT PROPOSAL NARRATIVE

1. Nonprofit's history, goals, key achievements & distinctiveness

Open Hearth, Inc. was originally formed in 1989 as a local grassroots committee to assure equal housing opportunities. We were incorporated as a nonprofit organization in 1991. We believe our greatest strengths are staying abreast of emerging issues and best practices and then developing programs and effective partnerships to meet the needs of the community we serve. Because of this, we have expanded our services to include asset development, financial education and coaching, transportation solutions, workforce development, and robust resource coordination. Our time of greatest growth occurred between June 2021 and September of 2022 with our contract to administer the disbursement of over \$7 million in direct rent and utility relief to Chester County residents affected by Covid-19 via the Emergency Rental Assistance Program.

Open Hearth has always taken a strong leadership position in the community regarding housing, quality of life and financial stability. We have been an active participant and collaborator in the Chester County Partnership to End Homelessness since its inception. In 2018 our CEO was asked to chair the Partnership's governance board, with her term ending in December of 2022. She is also a member of the Tower Health Community Benefits Committee and serves on the Phoenixville Council of Affordable Housing. Additionally, other Open Hearth staff serve on multiple community advisory boards and committees.

As a component of our focus on community building, Open Hearth has facilitated the Phoenixville Area Resource Network (PARN) for 16 years. PARN includes a monthly networking meeting for staff from local social service agencies, as well as a listserv that updates over 350 nonprofit staff with community announcements between meetings. Additionally, in partnership with the Phoenixville Area Community Foundation, we have published six editions, and distributed over 260,000 copies, of *The Help Book—A Health and Human Services Guide*.

*A note about our fiscal calendar—Open Hearth's 10/1/22 to 9/30/23 fiscal budget was approved in August. In October, the board approved changing our fiscal year to a calendar year to better match our revenue streams. This created a short year from 10/1/22 to 12/31/22. We decided to use the budget created for the fiscal year 22/23 for the short year. We have prepared a new budget for our new 2023 fiscal year. We are expecting board approval of our new budget in February. We can provide a copy once approved.

2. Funding request

Description of key initiatives

Open Hearth is committed to ending homelessness and financial instability through prevention and education. Our programs are offered on a continuum—from preventing homelessness to homeownership opportunities. Staff guide and support program participants as they move towards greater financial stability and self-sufficiency. Programs include—

Housing—Homelessness prevention • Permanent housing subsidies • Security deposit loans, basic critical furnishings • Temporary stays in motels while waiting for permanent housing

Financial Management—Personal financial education workshops • Budgeting, social service referrals, and goal setting • Ongoing financial coaching • Matched savings for a first home, higher education, or car

Transportation—\$3,000 in matching funds for the purchase of a car

Workforce—Leading PA CareerLink - Chester County, focusing on increasing access to workforce development services to unemployed and underemployed County residents

Community Building— Phoenixville Area Resource Network • *The Help Book—A Health and Human Services Guide* • Advocate for housing, financial stability and improved quality of life for all

Specific needs & issues to be addressed

Open Hearth is requesting funding for our Family Savings Partner Program (FSP), the only county-wide asset development program available to individuals and families without having to be previously enrolled in an organization's programs. We designed FSP to support low- and middle-income individuals and families as they plan for their financial futures. FSP provides a match of a participant's savings to be used toward the purchase of a car, post-secondary education, or a first home. ***If funded by CCCF, Open Hearth will utilize grant funding for matching funds for those saving to purchase a car.***

The United Way of Greater Philadelphia and Southern New Jersey and the United Way of Chester County fund the match for Open Hearth's home buying and education goals as well as some of the administrative costs. We fundraise separately for the matching funds for the car purchase goal.

To qualify for the Family Savings Partner Program (FSP), applicants must earn less than 400 percent of the poverty guidelines and must provide proof of all income for their household.

Open Hearth partners with 20 nonprofits as referral sources for FSP applicants, with a focus on organizations that serve marginalized populations, including our current partners Habitat for Humanity of Chester County and Community Volunteers in Medicine. We also have agreements with three financial institutions that provide fee-free savings accounts to program participants.

Participants with the goal of purchasing a car save \$1,000 within 12 months and participate in personal financial education workshops hosted by Open Hearth that are related to their savings goal. Workshop topics include credit repair, budgeting, debt reduction, purchasing a car (from financing to the buying process), and the basics of retirement planning and saving. ***As households save for their asset, program staff provide essential support through personalized financial education, social service referrals, connections to resources, and encouragement, especially if the saver faces financial/personal challenges.***

Once a participant completes all program requirements, they receive a matching grant of \$3,000 that is paid directly to the seller of the vehicle that the participant has chosen.

While the match dollars are important, the lasting impact is far greater than the funds received. For many, this will be the first significant asset they own. Michael Sherraden, in his book *Assets and the Poor—A New American Welfare Policy*, writes: "Assets alter the reception of information. To put it plainly, when assets are present, people begin to think in terms of assets..."

Why it is important to fund this now

With limited funding for the car matching funds, Open Hearth is unable to enroll new savers into FSP. ***There is currently unprecedented demand for the car savings goal with 21 applicants on the waiting list.*** Funding from CCCF would allow us to immediately enroll additional savers.

There are several issues that impact the demand for participation in FSP. Public transportation in the suburban and rural areas of Chester County has long been recognized as woefully inadequate. A local needs assessment, *Compass: Chester County's Call to Action*, notes that "transportation emerged consistently as the number one need in the County. Isolated by the lack of transportation in the communities where they live, individuals in the lower socioeconomic sector find their housing choices, employment opportunities, educational and healthcare options restricted by their lack of mobility." In its conclusion, the study indicated

the lack of transportation in Chester County “...sets in motion a cycle which conspires to isolate [those in need] from the very opportunities which would enable them to break out and explore new horizons.” The Community Charge that resulted from this study stated, “Access to services is as important as the services themselves.”

Additionally, over the last few years, prices have skyrocketed making the purchase of a reliable source of transportation even further out of reach for many Chester County residents. Transportation costs, as well as the cost of almost all goods and services, have risen steeply with pandemic-related supply chain issues as well as record inflation. According to Edmunds.com, these price increases “...are fueled by a global computer chip shortage, increased labor and production costs, as well as supply chain delays.” As reported on fool.com, “When the pandemic hit, auto makers expected car demand to plummet. As a result, they reduced output, and microchip manufacturers followed suit. With the shortage of new cars, consumers...took advantage of low interest rates to purchase used cars instead, driving up prices four times faster than new cars.” The recent steep increase in car prices has created a much greater demand for the assistance that Open Hearth’s Family Savings Partner program (FSP) provides. FSP offers families and individuals the financial knowledge and funds to recalibrate their current financial trajectory, mediating some of the financial effects from inflation and the pandemic.

How impact & results will be demonstrated

Since the inception of the Family Savings Partner program (FSP) in 2001, 228 program graduates have saved over \$500,000 and purchased over \$15.3 million in assets. This past program year, 39 new participants were enrolled with 22 participants reaching their savings goal and purchasing their asset. With funding from the United Way of Chester County, additional FSP staffing is now on board with the goal of increasing enrollments and graduates significantly in the coming year. In 2023 we aim to increase the number of enrollments for all three savings goals from 30 to 45, and graduates from 20 to 30.

We measure the success of FSP by tracking the number of savings accounts opened, savings accrued in those accounts, and eventual acquisition of the chosen asset.

At enrollment, program participants, working with a program coordinator, will develop a personalized budget. This meeting also includes an in-depth credit review, instructions on opening their savings account, and determining their savings plan in order to reach their goal. Program participants will have increased their financial literacy and, shortly after this meeting, will have established a savings account.

Midterm impacts include an increase in liquid assets in the form of savings, and increased household stability.

All program graduates improve their financial stability, while some, once they gain reliable transportation, are able to access better employment options or medical care, leading to a better quality of life for everyone in their household. All the while, the program encourages prudent future savings, financial management and participation in the local economy. Savers in the program acquire the financial education and matching funds that move them toward greater financial stability as well as upward mobility.